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FM AMEMBASSY COLOMBO  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 5790  
INFO RUEHNE/AMEMBASSY NEW DELHI PRIORITY 0814  
RUEHKA/AMEMBASSY DHAKA PRIORITY 0012  
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 6989  
RUEHKT/AMEMBASSY KATHMANDU PRIORITY 5068  
RUEHLO/AMEMBASSY LONDON PRIORITY 3644  
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC PRIORITY  
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY  
RHEFDIA/DIA WASHINGTON DC PRIORITY  
RUEKJCS/SECDEF WASHDC PRIORITY  
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0567

UNCLAS COLOMBO 000515

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SENSITIVE  
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STATE FOR SCA/INS, EEB/ESC/TFS, ISN/CPI A RUGGIERO, AND  
NEA/IR S MISKO

E.O. 12958: N/A  
TAGS: [EFIN](#) [KNNP](#) [PARM](#) [IR](#) [CE](#)  
SUBJECT: UNSCR 1747: SRI LANKA FIU WILL ACT ON ANY LOCAL  
BANK SEPAH LINKS

REF: SECSTATE 40440

1. (SBU) Econoff delivered reftel demarche to the new director of Sri Lanka's Financial Intelligence Unit (FIU), G. Karunaratne, and his deputy, Ravindra Jayaratne, on March 30. Econoff noted that, according to the Bankers' Almanac, Bank Sepah is believed to maintain either a branch, subsidiary, or correspondent relationship with the Bank of Ceylon in Colombo. Econoff emphasized that UNSCR 1747 required Sri Lanka to freeze any accounts related to Bank Sepah and that, for the freeze to have its desired effect, Sri Lanka must act quickly.

2. (SBU) Karunaratne replied that he understood the binding nature of UNSCR 1747 and would give the issue "highest priority." He assured Econoff that the FIU would quickly ascertain which Sri Lankan banks, if any, conducted commercial, foreign exchange, or capital market transactions with Bank Sepah. The FIU would do this by communicating with individual banks and the Sri Lanka Bankers' Association. Karunaratne was confident that the FIU would be able to get an order requiring any bank doing business with Bank Sepah to terminate its banking relationship. He believed it would take somewhat longer to find any Bank Sepah assets that might lie within the Sri Lankan banking system, but he would begin the process immediately. He regretted that the next normal business day, Monday April 2, was a Sri Lankan government and commercial holiday, which would somewhat slow the FIU's efforts, but he promised to provide an update later that week.  
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